

California High Speed Rail Authority

Confidential

Final Total Compensation Report

SUBMITTED BY:
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I. Introduction

CPS HR Consulting (“CPS HR”) was retained by the California High Speed Rail Authority (“the Authority”) to conduct a total compensation study for its Chief Executive Officer (CEO) with the goal of determining how competitive the Authority is in its labor market by collecting and analyzing maximum monthly base salary and elements of total compensation for this position. This Final Total Compensation Report outlines the project scope and work plan, the methodologies utilized in data collection and analysis, and provides an overview of the results of the labor market base salary and total compensation analyses. The effective date for all compensation and benefits data collected for the study is January 1, 2012.

II. Project Scope and Work Plan

In order to complete the study, the following tasks were completed for each phase:

- The review and finalization of the project scope including the labor market agencies to be surveyed and the scope of data collection. (completed)
- Development of the compensation survey instrument, and distribution to the Authority’s labor market agencies. The Authority prepared a Freedom of Information Act Request to the various agencies for the requested information and attached a copy of the survey to said request. The survey instrument included a brief descriptor for the CEO requesting the monthly minimum and maximum salary and information on various components of total compensation including cash add-ons, health and welfare benefits, premium pays, and retirement practices. (completed)
- The review and analysis of all compensation and benefits data submitted by the labor market agencies. In addition to the survey data received, where available, the consultants reviewed each responding agency’s employment contract for its CEO. (completed)
- Preparation of a draft report for client review and comments. (completed)
- Review and resolution of questions arising from client review of the draft report. (completed)
- Preparation of the Final Total Compensation Report. (completed)

III. Compensation Study Parameters

Labor Market Agencies

Based on direction from the Authority, Table 1 presents the labor market agencies that were surveyed for the total compensation study.

TABLE 1 California High Speed Rail Authority Labor Market Agencies
*Bay Area Regional Transit Caltrain Dallas Area Rapid Transit *Metropolitan Atlanta Rapid Transit Authority Los Angeles County Metropolitan Transportation Authority Metropolitan Transportation Commission Orange County Transportation Authority San Diego Association of Governments San Diego Metropolitan Transit System *San Francisco Municipal Transportation Agency

Agencies marked with an asterisk (*) did not respond to the Authority's FOIA request.

Scope of the Survey

The data collected for the CEO from each agency included:

- Title of the matched classification
- Minimum and maximum monthly salary for the matched classification
- Cash add-ons including deferred compensation, bonuses, and retirement pickup
- Any special pay/program afforded to the CEO such as group legal, housing allowances, vehicle allowance, relocation reimbursement, and other data as described in Section V-Supplemental Survey Components
- Details of employer health programs including:
 - Cafeteria plan practices

- Employer contribution to most commonly used medical, dental and vision plans
- Employee contribution to most commonly used medical, dental and vision plans
- Details of life insurance and long term disability plan benefits and contributions
- Employer retirement practices, including
 - Type of program offered
 - Benefit offered (e.g. 2%@55, etc.) if applicable
 - Benefit formula (e.g. average of three years, single highest year)
 - Agency contribution to the retirement plan
- Social security contributions
- Leaves (vacation, sick, administrative and holidays)

IV. Survey Results

As indicated in the previous section, the survey involved the collection of base salary and total compensation data for the Authority's CEO classification from each of the selected labor market agencies, and detailed results of the base salary and total compensation analyses were prepared. The data sheet in Appendix A presents detailed information on the analysis which is summarized as follows:

- For base salary, the labor market median of \$22,183 is 29.01% lower than the Authority's salary of \$31,250 per month.
 - The matched salaries range from \$20,553 to \$34,608 per month
- For total compensation, the labor market median of \$30,445 is 9.66% lower than the Authority's total compensation of \$33,699 per month.
 - The matched total compensation amounts range from \$28,165 to \$44,909 per month

V. Supplemental Survey Components

In addition to the base salary and total compensation data collected for the survey, CPS HR collected benefits information compiled in a separate document presented in Appendix B. In some instances you will see a designation of "Data Not Available" – this designator means that either the labor market agency did not respond (BART, MARTA and SFMTA), or the data was not

provided by a responding agency. The scope of data collection for Appendix B is summarized below:

- Table B1 – Each agency was asked to provide information on their retirement practices including the retirement type, any employer pick up of the employee's contribution to retirement, the agency mandated contribution to the retirement program, and the retirement benefit, formula and any COLA practices; social security practices were also collected.
- Table B2 – Each agency was asked to provide information on their deferred compensation and group legal services benefits.
- Table B3 – Each agency was asked to provide information on their relocation reimbursement and housing allowance practices.
- Table B4 – Each agency was asked to provide information on their severance and miscellaneous payment programs. (such as recruitment incentives, supplemental retirement, etc.)
- Table B5 – Each agency was asked to provide information on their vehicle allowance and performance pay practices.
- Table B6 – Each agency was asked to provide information on their cafeteria plan practices, and the cost/benefit of any life insurance or long term disability benefits provided to the CEO.
- Table B7 – Each agency was asked to provide information on employer and employee contributions to the most commonly used medical, dental and vision programs.
- Table B8 – Each agency was asked to provide information on their vacation accrual practices.
- Table B9 – Each agency was asked to provide information on their sick leave, holiday and administrative leave practices.

VI. Summary

The above sections of this report provide detailed information concerning the scope of the project, the methodology used to complete the total compensation study, as well as the results of the study, which show where the Authority stands in comparison to the labor market. Should you require any further information on the contents of this Final Total Compensation Report, please contact Ms. Debbie Owen on (916) 471-3122.

Appendix A
Labor Market Data Sheet

Appendix B

Benefits Tables

Chief Executive Officer

Surveyed Agency	Classification Title	Monthly Min.	Monthly Max.	Deferred Comp	Retirement Pickup	Health	Dental	Vision	Life	Disability	Retirement	Social Security	Monthly Total Compensation
California High Speed Rail Authority	Chief Executive Officer	\$13,542	\$31,250			\$1,027			\$416			\$1,005	\$33,699
Caltrain	General Manager and Chief Executive Officer	\$20,553	\$20,553	\$1,875	\$1,439	\$1,793	\$165	\$15	\$98	\$14	\$1,756	\$850	\$28,547
Dallas Area Rapid Transit	Chief Executive Officer	\$23,333	\$23,333	\$700		\$1,393	\$52				\$1,797	\$890	\$28,165
Los Angeles County Metropolitan Transportation Authority	Chief Executive Officer	\$24,033	\$34,608	\$1,875	\$2,423	\$2,012	\$140	\$22	\$274	\$71	\$2,983	\$502	\$44,909
Metropolitan Transportation Commission	Executive Director	\$23,376	\$23,378			\$1,699	\$152	\$17	\$67	\$44	\$3,825	\$339	\$30,178
Orange County Transportation Authority	Chief Executive Officer	\$21,250	\$21,250	\$2,083	\$1,269	\$1,371	\$219	\$32	\$60	\$36	\$4,333	\$308	\$30,960
San Diego Association of Governments	Executive Director	\$20,833	\$20,833	\$1,875	\$1,667	\$1,517	\$135	\$22	\$291	\$21	\$3,783	\$302	\$30,445
San Diego Metropolitan Transit System	Chief Executive Officer	\$22,183	\$22,183	\$3,899	\$1,775	\$1,102			\$62	\$28	\$3,956	\$673	\$33,878
Base Salary Median			\$22,183										
Base Salary Mean			\$23,734										
Percentage Above or Below Median			29.01%										
Percentage Above or Below Mean			24.05%										
Total Compensation Median													\$30,445
Total Compensation Mean													\$32,440
Percentage Above or Below Median													9.66%
Percentage Above or Below Mean													3.74%

TABLE B1
CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
RETIREMENT PRACTICES

AGENCY	Retirement Type	Retirement Pick-up ¹	Agency Retirement Rate	Retirement Benefit	Retirement Formula	Social Security Practices	COLA
California High Speed Rail Authority	ARP	N/A	N/A	N/A	N/A	7.65%	N/A
Bay Area Regional Transit (BART)	DNA	DNA	DNA	DNA	DNA	DNA	DNA
Caltrain – San Mateo County	PERS	7%	8.542%	2.7% @ 55	3 year average high	7.65%	2%
Dallas Area Rapid Transit (DART)	Defined Contribution	N/A	7.7%	N/A	No formula	7.65%	N/A
Metropolitan Atlanta Rapid Transit Authority (MARTA)	DNA	DNA	DNA	DNA	DNA	DNA	DNA
Los Angeles County Metropolitan Transportation Authority	PERS	7%	8.619%	2% @ 60	Highest 3 years	1.45%	2%
Metropolitan Transportation Commission (MTC)	PERS	2.81%	16.362%	2.5% @ 55	Highest 3 years	1.45%	3%
Orange County Transportation Authority (OCTA)	PERS	5.97%	20.39%	1.67% @ 57.5	Highest 3 years	1.45%	3%
San Diego Association of Governments (SANDAG)	PERS	8%	18.157%	2.7% @ 55	Highest year	1.45%	2%
San Diego Metropolitan Transit System	PERS	8%	17.832%	2.7% @ 55	Highest year	7.65%	2%
San Francisco Municipal Transportation Agency (SFMTA)	DNA	DNA	DNA	DNA	DNA	DNA	DNA

¹ Employee contribution paid by the employer

TABLE B2
CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
DEFERRED COMPENSATION / GROUP LEGAL SERVICES

AGENCY	Deferred Compensation	Group Legal Services
California High Speed Rail Authority	N/A	N/A
Bay Area Regional Transit (BART)	DNA	DNA
Caltrain – San Mateo County	\$22,500	N/A
Dallas Area Rapid Transit (DART)	3%	N/A
Metropolitan Atlanta Rapid Transit Authority (MARTA)	DNA	DNA
Los Angeles County Metropolitan Transportation Authority	\$22,500 (401K & 457 combined)	N/A
Metropolitan Transportation Commission (MTC)	N/A	N/A
Orange County Transportation Authority (OCTA)	\$25,000 (401K)	N/A
San Diego Association of Governments (SANDAG)	\$22,500	N/A
San Diego Metropolitan Transit System	\$46,785.60	N/A
San Francisco Municipal Transportation Agency (SFMTA)	DNA	DNA

TABLE B3

CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
RELOCATION REIMBURSEMENT / HOUSING ALLOWANCE

AGENCY	Relocation Reimbursement	Housing Allowance
San Diego Metropolitan Transit System	Reimbursement for: <ul style="list-style-type: none">- Sellers costs associated with sale of home- \$50K payment upon purchase of local home- Movement of household goods & autos- Two (2) roundtrip airfares for Spouse to house hunt in San Diego- One-way airfare for spouse and two children if autos shipped	Temporary housing in San Diego up to 6 months rent
San Francisco Municipal Transportation Agency (SFMTA)	DNA	DNA

TABLE B3
CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
RELOCATION REIMBURSEMENT / HOUSING ALLOWANCE

AGENCY	Relocation Reimbursement	Housing Allowance
California High Speed Rail Authority	N/A	N/A
Bay Area Regional Transit (BART)	DNA	DNA
Caltrain – San Mateo County	N/A	\$1,000 per month
Dallas Area Rapid Transit (DART)	Negotiable	N/A
Metropolitan Atlanta Rapid Transit Authority (MARTA)	DNA	DNA
Los Angeles County Metropolitan Transportation Authority	Reimbursement for: <ul style="list-style-type: none"> - Seller closing cost - Brokerage fee - One point for real-estate loan 	Temporary housing up to \$42,000. NTE \$3,500 per month
Metropolitan Transportation Commission (MTC)	Reimbursement for: <ul style="list-style-type: none"> - Sellers costs associated with sale of home - All buyer's fees associated with purchase of local home - Movement of household goods 	Temporary housing in LA up to \$42,000
Orange County Transportation Authority (OCTA)	Not to exceed \$75,000 for relocation expenses. Must repay \$37,500 if he resigns prior to 1 year	Loan not to exceed \$75,000 for a down payment on a residence in Orange County. Repayment at 2% interest.
San Diego Association of Governments (SANDAG)	Negotiable	N/A

TABLE B4

**CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
SEVERANCE PAYMENTS / MISCELLANEOUS PAYMENTS**

AGENCY	Severance Payments	Miscellaneous Payment Programs
California High Speed Rail Authority	N/A	Recruitment Incentive 20% of Annual Salary \$375,000 x 20% = \$75,000 pro rata if leaves before 2 years of service
Bay Area Regional Transit (BART)	DNA	DNA
Caltrain -- San Mateo County	DNA	The GM receives an annual stipend of \$30,000 (Joint Powers Board) and an annual stipend of \$25,000 (Transit Authority) the purpose of which is to compensate for additional responsibilities that pertain to these two agencies.
		The GM has a Supplemental Employee Retirement Plan. The purpose which is to provide for a retirement benefit for the wages that exceed the 401(a) (17) limitations of PERS. The annual cost fluctuates and is based upon an actuarial calculation.
		N/A
Dallas Area Rapid Transit (DART)	Up to 26 bi-weekly base salary payments	N/A
Metropolitan Atlanta Rapid Transit Authority (MARTA)	DNA	DNA
Los Angeles County Metropolitan Transportation Authority	12 months of salary and benefits	N/A

TABLE B4
CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
SEVERANCE PAYMENTS / MISCELLANEOUS PAYMENTS

AGENCY	Severance Payments	Miscellaneous Payment Programs
Metropolitan Transportation Commission (MTC)	6 months of salary, calculated by the annual salary on the effective date of the termination. 6 months of medical group health payments calculated by the actual monthly premium amount paid by MTC.	N/A
Orange County Transportation Authority (OCTA)	6 months of current salary unless less than 6 months remains on the contract. Benefit payment sum of money equal to the six months of total cost to the authority.	Credited 10 years of seniority as an authority employee
San Diego Association of Governments (SANDAG)	6 months of base salary	Management Benefit of 2.5% of base salary
San Diego Metropolitan Transit System	If notified within 6 months. 6 months of base salary If notified less than 6 months. 12 months of base salary	3.5% of base salary to be used for dependent insurance premiums, additional vacation, deferred comp or additional life insurance
San Francisco Municipal Transportation Agency (SFMTA)	DNA	DNA

TABLE B5

**CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
VEHICLE ALLOWANCE / PERFORMANCE OR MERIT PAY**

AGENCY	Vehicle Allowance	Performance or Merit Pay
California High Speed Rail Authority	N/A	N/A
Bay Area Regional Transit (BART)	DNA	DNA
Caltrain – San Mateo County	DNA	DNA
Dallas Area Rapid Transit (DART)	\$1,000 per month	Up to 15% of base pay as a performance bonus.
Metropolitan Atlanta Rapid Transit Authority (MARTA)	DNA	DNA
Los Angeles County Metropolitan Transportation Authority	\$761.53 bi-weekly for transportation, and living expenses	N/A
Metropolitan Transportation Commission (MTC)	N/A	July 2012- 1.5% merit increase July 2013- 1.5% merit increase Plus 2% cola provided to staff overt 2011-2014 MOU.
Orange County Transportation Authority (OCTA)	Auto allowance- same as executive employees	N/A
San Diego Association of Governments (SANDAG)	\$800 per month	Annual Performance Bonus of up to 10% of base salary
San Diego Metropolitan Transit System	\$450 per month	Up to \$10,000
San Francisco Municipal Transportation Agency (SFMTA)	DNA	DNA

TABLE B6

**CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
CAFETERIA PLAN / LIFE INSURANCE / LONG TERM DISABILITY**

Agency	Cafeteria Plan Practices	Life Insurance Program Costs	Long Term Disability Program Costs
California High Speed Rail Authority	N/A	\$8.35 Flat Rate \$50,000 Coverage	N/A
Bay Area Regional Transit (BART)	DNA	DNA	DNA
Caltrain – San Mateo County	N/A	\$0.44 \$200,000 Coverage	\$0.185 per \$100 of covered payroll 60% of salary Maximum \$7,500 per month
Dallas Area Rapid Transit (DART)	N/A	Cost DNA 1x annual salary	Cost DNA 60% of salary
Metropolitan Atlanta Rapid Transit Authority (MARTA)	DNA	DNA	DNA
Los Angeles County Metropolitan Transportation Authority	N/A	\$0.33 per \$1,000 of coverage 2x annual salary	\$0.342 per \$100 of covered payroll 60% of salary Maximum 180 days
Metropolitan Transportation Commission (MTC)	N/A	\$0.33 per \$1,000 of coverage 2x annual salary	\$0.29 per \$100 of covered payroll 66 2/3% of salary Maximum \$15,000 per month
Orange County Transportation Authority (OCTA)	N/A	\$0.120 per \$1,000 of coverage \$500,000 Coverage	\$0.250 per \$100 of covered payroll 67% of salary Maximum \$8,000 per month
San Diego Association of Governments (SANDAG)	N/A	\$0.97 per \$1,000 of coverage \$300,000 Coverage	\$0.35 per \$100 of covered payroll 66.66% of salary Maximum of \$6,000 per month
San Diego Metropolitan Transit System	N/A	\$0.155 per \$1,000 of coverage \$400,000 Coverage	\$0.35 per \$100 of covered payroll 66 2/3% of salary Maximum of \$8,000 per month
San Francisco Municipal Transportation Agency (SFMTA)	DNA	DNA	DNA

TABLE B7

**CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
EMPLOYEE / EMPLOYER CONTRIBUTION TO MEDICAL / DENTAL / VISION INSURANCE**

Agency	Medical		Dental		Vision	
	Employer Maximum	Employee Maximum	Employer Maximum	Employee Maximum	Employer Maximum	Employee Maximum
California High Speed Rail Authority	\$1,027.00	\$218.80	Included	\$113.53	Included	\$8.64
Bay Area Regional Transit (BART)	DNA	DNA	DNA	DNA	DNA	DNA
Caltrain – San Mateo County	\$1,793.39	\$55.47	\$165.48	\$0	\$14.75	\$0
Dallas Area Rapid Transit (DART)	\$1,393	\$348.25	\$52.41	\$21.65	\$0	\$10.36
Metropolitan Atlanta Rapid Transit Authority (MARTA)	DNA	DNA	DNA	DNA	DNA	DNA
Los Angeles County Metropolitan Transportation Authority	\$2,011.66	\$223	\$140.34	\$16	\$22.20	\$3
Metropolitan Transportation Commission (MTC)	\$1,698.86	\$150	\$151.94	\$19.13	\$17	\$27.19
Orange County Transportation Authority (OCTA)	\$1,370.65	\$68.53	\$218.99	\$32.85	\$32.34	\$4.85
San Diego Association of Governments (SANDAG)	\$1,517.36	\$0	\$134.63	\$0	\$21.92	\$0
San Diego Metropolitan Transit System	\$1,102.01	\$200.37	Self-Funded	\$49.68	Self-Funded	\$11.50
San Francisco Municipal Transportation Agency (SFMTA)	DNA	DNA	DNA	DNA	DNA	DNA

TABLE B8

**CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
VACATION LEAVE ACCRUAL**

Agency	Year 1	Year 5	Year 10	Year 15	Year 20	Maximum Accrual
California High Speed Rail Authority	15	15	17	18	19	80
Bay Area Regional Transit (BART)	DNA	DNA	DNA	DNA	DNA	DNA
Caltrain – San Mateo County	26+	34+	34+	39+	43+ @ 25 years	180 Days
Dallas Area Rapid Transit (DART)	30 Days PTO	30 Days PTO	30 Days PTO	30 Days PTO	30 Days PTO	40 Days plus the new year (annual deposit) of 30 days
Metropolitan Atlanta Rapid Transit Authority (MARTA)	DNA	DNA	DNA	DNA	DNA	DNA
Los Angeles County Metropolitan Transportation Authority	30 Days PTO	35 Days PTO	35 Days PTO	35 Days PTO	35 Days PTO	105 Days PTO
Metropolitan Transportation Commission (MTC)	13	18	23	25	25	62.5
Orange County Transportation Authority (OCTA)	20	20	20	21	25	DNA
San Diego Association of Governments (SANDAG)	20	20	20	20	20	40
San Diego Metropolitan Transit System	28	28	28	28	28	62.5
San Francisco Municipal Transportation Agency (SFMTA)	DNA	DNA	DNA	DNA	DNA	DNA

TABLE B9
CALIFORNIA HIGH SPEED RAIL AUTHORITY
TOTAL COMPENSATION STUDY
SICK LEAVE / HOLIDAYS / ADMINISTRATIVE LEAVE

Agency	Sick Leave Practices		Holidays	Administrative Leave
	Annual	Maximum		
California High Speed Rail Authority	Included in annual leave	Included in annual leave	12 + 1 Personal Day	2 Personal Development Days
Bay Area Regional Transit (BART)	DNA	DNA	DNA	DNA
Caltrain – San Mateo County	N/A PTO	N/A	7 + 5 floating	N/A
Dallas Area Rapid Transit (DART)	Included in PTO	N/A	9	N/A
Metropolitan Atlanta Rapid Transit Authority (MARTA)	DNA	DNA	DNA	DNA
Los Angeles County Metropolitan Transportation Authority	Included in PTO	N/A	10	10 TWOP days
Metropolitan Transportation Commission (MTC)	12	No Max	11	N/A
Orange County Transportation Authority (OCTA)	12	No Max	11	N/A
San Diego Association of Governments (SANDAG)	13	No Max	11 + 2 floating	Executive Director may request up to 20 days of additional vacation leave in even numbered years.
San Diego Metropolitan Transit System	N/A	N/A	9 + 4 floating	N/A
San Francisco Municipal Transportation Agency (SFMTA)	DNA	DNA	DNA	DNA

